



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Voluntary Report - public distribution

Date: 9/18/2003

GAIN Report Number: EG3021

Egypt

Grain and Feed

Wheat Update

2003

Approved by:

Asif J. Chaudhry
US Embassy

Prepared by:

Ali Abdi & Sherif Ibrahim

Report Highlights:

Egypt's total wheat purchases since the beginning of MY 2003/04 (July, 2003) are estimated at 534,508 MT. Egyptian private sector mills resume importation of U.S. wheat. For the first time in over 12 years, the government authorized the General Authority for Supply Commodities to import 120,000 metric ton of wheat per month for the production of Fino bread at subsidized price.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Cairo [EG1]
[EG]

Since the beginning of Marketing Year 2003/2004 (July, 2003) through August, 2003, Egypt imported a total of 534,508 MT of wheat as follows:

	From All Sources	From US
General Authority for Supply Commodities (GASC):		240,000
Private Sector:	294,508	96,430
Total:	534,508	336,430

Private sector wheat imports are based on local industry estimates. Egypt's total wheat imports by country of origin are as follows.

Origin	Quantity (000 MT)
US	96,430
Russia	64,463
Germany	63,445
Sweden	23,000
Syria	25,670
France	21,500
Total	534,508

During the months of July and August, 2003, GASC purchased 180,000 MT of USSRW wheat at a reported prices of between \$139.99 and \$ 149.93 per MT (FOB) and 60,000 MT of USSWW for delivery during the period of August 21 to October 10, 2003. According to local industry estimates, private sector companies also imported 96,430 MT of US HRW wheat; 64,463 MT of wheat from Russia; 63,445 MT from Germany; 23,000 MT of wheat from Sweden; 25,670 MT of wheat from Syria and 21,500 MT of wheat from France.

Price of unsubsidized bread in Egypt has been on the increase in recent weeks due to declining wheat imports by private sector mills. The price of unsubsidized bread increased by about 25 percent in the last three months. Lack of foreign exchange availability for private sector imports, and the continuing devaluation of the pound is pushing local prices of basic commodities high.

In reaction to these price increases, for the first time in over 12 years, the Ministry of Supply recently authorized the General Authority for Supply Commodities to import 120,000 metric ton of wheat per month for the production of 72 percent extraction flour by the Food Industries Holding Company (FIHC) which competes with private sector mills in the open market. A portion of this wheat will be used strictly for the production of Fino bread for schools at 10 piasters per loaf and the other portion will be sold by GASC to FIHC. The government plans to spend LE 130 million per month to subsidize the price of Fino bread for school children.